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OCI No. 2812/65

CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
14 October 1965

INTELLIGENCE MEMORANDUM

The Indonesian Situation
(Report # 30 -- As of 4:00 P.M. EDT)

1. The US Embassy notes that essentially there are two governments in Indonesia--one headed by Sukarno and the other consisting of top army leadership. Although they are competing for power, for the moment they need each other, and they fear civil war if they go into open opposition. Sukarno's name and his unifying influence are important to the army in consolidating its position and particularly in controlling the political situation in Central Java where the Communists have accumulated strength. Sukarno, for his part, appears reluctant to discard the army until he can rebuild the Communist Party (PKI) into a strong and acceptable base of support.

2. The army has scored a definite advance with Sukarno's announcement that he has appointed Maj. Gen. Suharto Commander of the Army. At the same time Sukarno has terminated General Pranoto's assignment as "daily administrative head" of the army thus ending the divided army leadership he had established after the death of General Yani, the former army commander. Suharto led the army's counter move against the 30 September coup and was the army's choice to succeed Yani. Sukarno will install the new army commander on 16 October.

3. The US Embassy comments that it is unlike Sukarno to make such a concession to the army without demanding a quid pro quo. No information is yet available as to what the army may have conceded.

4. Sukarno stated in an exclusive interview with the head of the Antara news agency that he would formulate

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a political solution of the 30 September issue "on the basis of actual facts and not on investigations of whatever side." Asked whether he had already formulated a solution, Sukarno replied, "Leave it to me and wait." The substance of the interview was reported by the army-controlled Djakarta Radio. Sukarno's allusion to investigations refers to the extensive investigations being conducted by the army on the 30 September movement.

5. Apparently as a follow-up to Sukarno's statement to Antara, First Deputy Prime Minister Subandrio conveyed a further message to the cabinet presidium and officials of the National Front. He said the president hoped all sections of the community would preserve order and tranquility while he was "gathering facts" to find a political settlement. In what appeared to be an oblique reference to the army's political position, Subandrio stated that obedience to the Great Leader of the Revolution, Bung Karno, will be evaluated according to whether we obey instructions or act on our own. Subandrio added that Gen. Suharto had "wisely" succeeded in restoring 90 percent security at the "cost of only a few victims."

6. [REDACTED] Communist elements believe the Anti-Foreign Bases Conference, scheduled to open in Djakarta on 16 October, offers a major opportunity to salvage a legal position for the party. Sukarno has ordered Gen. Suharto to give full security protection to those involved in preparations for the conference--an undertaking of a Communist front organization. As a result, two Communist Party officials have come out of hiding to help the conference preparatory committee. They were given identification cards which assure their freedom of movement and protection from army harassment. The problem of "purifying" the conference committees of "30 September" elements is said to have been taken over by Sukarno.. The US Embassy suspects that Sukarno, who will speak to conference delegates on 17 October, plans to use the occasion for a major address possibly related to the internal situation.

7. The US Embassy comments that the Chalmers Roberts article in the 13 October Washington Post could prove a serious blow, upsetting the balance which has been wavering in our favor since the coup. The article stated that the US Government had "incontrovertible proof" that Sukarno was involved in the events of 1 October.

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8. First Deputy Foreign Minister Suwito told the ambassador on 14 October that in view of current sensitivities, American officials would be well advised to be as quiet and discreet as possible. He said it would be harmful to the army if it appeared that the Americans were giving it support or that we were deriving obvious satisfaction from current events. The Communists and their supporters are desperately searching for any bits of evidence that could be used against army leadership such as involvement with the "neocolonialists and imperialists." Suwito added that we must bear in mind that there are many people who believe that a "generals' coup" was indeed plotted and that there is a lot of dissatisfaction within the army rank and file.

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